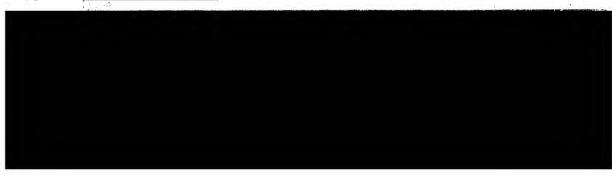
CLASSIFICATION CONFIDENTAME ved For Release 2001112184 NELA REPREZ 00457R08810008009-25X1A INFORMATION REPORT CD NO. DATE DISTR. 2 NOV 51 COUNTRY Chine INTELLOFAX 14 Inflation in Kwangtung NO. OF PAGES SUBJECT NO. OF ENCLS. PLACE **ACQUIRED** 25X1A SUPPLEMENT TO DATE OF 25X1X REPORT NO. INFO.



- 1. Because of the Korean war, the Communists have been unable to halt the inflation of the JWP. In August 1951, JMP notes of 50,000 and 100,000 denominations were in circulation.
- Since June 1951, commodity prices in the See Yap area have increased about 100%. This price increase may be illustrated as follows:
 - a. One catty of pork: June-JMP 7,000; August-JMP 13,000.
 - b. The picul of rice: June-JTP 70,000; August-JTP 130,000.
- 3. The official exchange rate for the Hong Kong dollar is JP 3,880. The black market rate on remittances to T'aishan (112-48, 22-15) is JP 5,200 for the Hong Kong dollar.

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1. Comment. On 25 September 1951, the US dollar brought HK 56.79 on the local market.

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